

To: European Commission
DG Climate Action
Unit C2 - Governance and Effort
Sharing
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egta – the association of television and radio sales houses

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*Answer to the public consultation to support the evaluation of the car
labelling Directive (1999/94/EC)*

Television and radio sales houses believe that empowering consumers with appropriate information on the CO2 emission performance of new cars is a commendable political objective which deserves a proper policy response.

However, as advertising professionals, egta members wish to highlight that the media sector heavily depends on advertising revenues. Any mandatory information requirement in advertising puts at risk the financing of the media sector in Europe. Such mandatory information requirements would discourage advertisers to place advertising in media when they have to link the advertising message with negative information about the product. Advertisers would be forced to find other ways to market their products, thereby draining revenues from the media.

Advertising, and in particular TV and Radio advertising, is not the appropriate channel to provide consumers with detailed technical information regarding the emission performance of a vehicle:

- Advertising's role is not to display these type of detailed technical messages because:
 - Its objective is to inform consumers about the existence of a product or a brand and to create engagement around them. Including CO2 information on car advertising would potentially confuse consumers and dilute the advertising message. A 2010 study commissioned by the European Parliament showed that car buyers go through a two stage process: 1) they decide about the type of car they intend to purchase (i.e., a station wagon or a micro-car), and 2) they decide which car they will chose, based on secondary criteria such as fuel efficiency. Car advertisements are primarily useful to consumers in the first stage of this process.
 - There is no sign that including this information in TV or radio advertising would be effective. In fact, research suggests that advertising is not one of the main drivers of consumer behaviour. Many studies (ADAC 2005, Capgemini 2010, Polk & Autotrader

2011) showed that the most important sources of information for technical information on cars are dealerships and the internet.

Therefore limiting information requirements about CO2 emission features to sales rooms or technical promotional material would guarantee that consumers are properly informed, while not cutting down media financing.

This approach has been chosen in the Tyre Labelling Regulation (1222/2009/EC), which makes a clear differentiation between media advertising and technical promotional material. Articles 4, 5 and 6 list the obligations to inform consumers at the point of sales and in technical promotional material (article 3, paragraph 4) that ensure that consumers are well informed about the tyre's features before buying it. There is no duty to inform in media advertising, **as Recital 18 explicitly mentions: "Technical promotional material does not include advertisements in billboards, newspapers, magazines, radio broadcasting, television and similar online formats."**

This in our view is the way forward in order to ensure an effective and informed purchase decision by consumers without harming advertising revenues for the media and hereby putting editorial content, informing consumers about environmental subjects, at risk.

- TV & Radio advertising are particularly ill suited to display this kind of consumer awareness information:
 - TV and Radio are media with short duration advertising spots, which makes it difficult for them to carry detailed and technical information to the audience, in particular taking into account that verbal information does not enable proper comparisons.
 - Extending current legal requirements on CO2 emissions information would result in TV/Radio advertisements no longer being attractive for retailers and producers.
 - Limitations on space make TV and radio advert slots short and expensive. Adding compulsory messages only reduces the space for the advertising spot, thus making it less attractive to advertisers.
 - Producers and retailers whose products have been rated average or below would avoid advertising these products, hence reducing the amount of information available to consumers, one of the principal aims of the Directive.

As a result, **extending the Directive's provisions to TV and Radio could lead to significant losses in revenue for these media, with potential consequences on employment and the availability of quality content, as well as media diversity.**

Furthermore, a 2011 study commissioned by DG Climate already raised these issues and concluded that:

- Regarding the extension of the Directive provisions to TV: *"there is no evidence at the moment that the inclusion of a label in this way on visual, dynamic media would be effective in raising consumers' awareness. (...) The enforcement of provisions extended to these media could also prove to be difficult";*
- Regarding the extension of the Directive to radio: *"extending the provisions of the Directive to radio and audio on the internet in an effective manner does not appear to be feasible".*

As a consequence, **egta strongly recommends that the European Commission does not extend current information obligations on cars CO2 emissions to television and radio advertising.**

Not only would such an action **be ineffective** in pursuing the objectives set out in Directive 1999/94/EC for the reasons presented above, but it would also **endanger revenues** of the whole audiovisual and radio media industries, thus negatively impacting employment and cultural and media diversity.

Sources

- *Study on the effectiveness of Directive 1999/94/EC relating to the availability of consumer information on fuel economy and CO2 emissions in respect of the marketing of new passenger cars*, ADAC, 2005
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